



Non Incident & Accident Statement

May 2, 2012

Reference: **CFM56-3B2 MFR S/N: 858151**

To Whom It May Concern:

This letter is to certify that the above referenced engine and their associated components were operated by Air Baltic.

During the period of Air Baltic operation, engine and their associated components were not involved in any accident / incident or subjected to severe impact, stress, heat or fire.

We also certify that engine and their associated components were not operated by any governmental or military entities, no parts which may have been installed during operation have been acquired from any government or military source. The engine have not been immersed in salt water or otherwise exposed to corrosive agents outside normal operation.

No PMA parts were installed during Air Baltic operation.

Sincerely,

A handwritten signature in black ink, appearing to read "George Supriyanovich", written over a horizontal line.

Air Baltic Corporation A/S
George Supriyanovich
Engineering

Bill Of Sale

For valuable consideration, the receipt and sufficiency of which is acknowledged, International Transport Finance Limited (the "Seller"), owner of the full legal and beneficial title to the following aircraft, engines, equipment and documents (more particularly described in the Agreement defined below (the "Aircraft")):

1. one (1) Boeing 737-33A aircraft having manufacturer's serial number 27454;
2. CFM International CFM56-3B2 engines having manufacturer's serial numbers 858151 and 858206;
3. all Parts owned by the Seller; and
4. the Aircraft Documents,

does now sell, grant, transfer and deliver all its right, title and interest in and to the Aircraft, to GA Telesis B737-33A MSN 27454 LLC (the "Buyer") under a sale agreement dated 21 December 2007 and made between the Seller and the Buyer (the "Agreement").

The Seller warrants to the Buyer and its successors and assigns that there is hereby conveyed to the Buyer the Seller's entire right, title and interest in the Aircraft, free and clear of any and all Security Interests (save for liens permitted pursuant to the Lease Agreement other than liens created by or through the Seller).

Capitalised terms used but not defined in this Bill of Sale will have the same meaning as in the Sale Agreement.

The Aircraft is sold "as is, where is", that is, in its actual state and condition as at Delivery.

This Bill of Sale shall be governed by and construed in accordance with the laws of England.

IN WITNESS whereof, the Seller has caused this Bill of Sale to be duly executed as of this 1st day of February 2008 at 6.45 am/pm London time.

EXECUTED as a deed by

the duly appointed Attorney of
International Transport
Finance Limited
in the presence of:

Frank Wulf
Senior Vice President

Paul Nolan
Vice President

Witness: Signed: [Signature]
Name (capital): LEWIS SUTHERLAND
Address: 003, SO CHEN SIDDE, LONDON, EC2V 6EE
Occupation: AAM

1st February 2008.

EXECUTION COPY
LEASE NOVATION AGREEMENT

dated 31 January 2008

between

International Transport Finance Limited
- as Transferor -

and

GA Telesis B737-33A MSN 27454 LLC
- as Transferee -

and

Air Baltic Corporation A/S
- as the Lessee -

in respect of
one (1) Boeing 737-33A
Serial Number: 27454
Registration mark YL-BBI

THIS NOVATION AGREEMENT dated 31 January, 2008 is entered into and made **BETWEEN:**

- (1) INTERNATIONAL TRANSPORT FINANCE LIMITED a company incorporated under the laws of the United Kingdom with its registered office at 80 Cheapside, London EC2V 6EE (the "Transferor");
- (2) GA TELESIS B737-33A MSN 27454 LLC, a Delaware limited liability company, with its registered office at 874 Walker Road, Suite C, Dover, Delaware, 19904 and its corporate headquarters located at 5400 NW 35th Avenue, Fort Lauderdale, FL 33309 USA (the "Transferee"); and
- (3) AIRBALTIC CORPORATION AS a company incorporated under the laws of Latvia whose registered office is at Riga International Airport, Riga, LV-1052 (the "Lessee").

BACKGROUND:

- (A) Transferor and the Lessee have entered into an aircraft lease agreement dated 16 July 2007 (the "Lease Agreement") in respect of one Boeing 737-33A aircraft msn 27454 registration mark YL-BBI as more fully described in Schedule 2 (the "Aircraft").
- (B) Transferor and Transferee have entered into a sale agreement dated 21 December 2007 whereby the Transferor has agreed to sell and the Transferee has agreed to purchase the Aircraft (the "Sale Agreement").
- (C) The Transferor and the Transferee have requested and the Lessee has agreed to the Transferor being released from, and the Transferee assuming, all the Transferor's rights, obligations, duties and liabilities under the Lease Agreement pursuant to a novation of the Lease Agreement upon the terms and subject to the conditions hereinafter provided.
- (D) The parties to this Agreement intend that the Transferee assumes from the Effective Time (as defined below) of this Agreement by way of novation all of the rights, obligations, duties and liabilities of the Transferor relating to the Lease Agreement.

IN CONSIDERATION OF THE MUTUAL COVENANTS CONTAINED HEREIN IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

- 1.1 In this Agreement the following expressions shall have the following meanings:

"Delivery" has the meaning given to it in Clause 5 of the Sale Agreement;


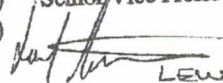
"Bank Guarantee" means the bank guarantee obtained by the Lessee for the benefit of the Transferor in place of US\$ [REDACTED] of the Security Deposit pursuant to Clause 5.1 (b) of the Lease Agreement;

AS WITNESSED the signatures of the duly authorised representatives of the parties on the date first written above.

SIGNED by)

for and on behalf of)
INTERNATIONAL TRANSPORT)
FINANCE LIMITED)

in the presence of:)


Frank Wulf
Senior Vice President
Paul Nolan
Vice President

LEWIS SUTHERLAND

SIGNED by)

for and on behalf of)
GA Telesis B737-33A MSN 27454 LLC))

in the presence of:)

SIGNED by)

for and on behalf of)
AIRBALTIC CORPORATION A/S)

in the presence of:)

AS WITNESSED the signatures of the duly authorised representatives of the parties on the date first written above.

SIGNED by)
)
 for and on behalf of)
 INTERNATIONAL TRANSPORT)
 FINANCE LIMITED)
)
 in the presence of:)

SIGNED by *Jack Portlock*)
VP and CEO)
 for and on behalf of)
 GA Telesis B737-33A MSN 27454 LLC)



in the presence of:)

SIGNED by)
)
 for and on behalf of)
 AIRBALTIC CORPORATION A/S)
)
 in the presence of:)

AS WITNESSED the signatures of the duly authorised representatives of the parties on the date first written above.


SIGNED by)
)
 for and on behalf of)
 INTERNATIONAL TRANSPORT)
 FINANCE LIMITED)
)
 in the presence of:)

SIGNED by)
)
 for and on behalf of)
 GA Telesis B737-33A MSN 27454 LLC)

in the presence of:)

SIGNED by)
)
 for and on behalf of)
 AIRBALTIC CORPORATION A/S)

in the presence of:) CEO


 [Signature] [Signature]
 BEATOLT MARTIN FLICK MARTIN ANTONOVIC
 CFO

SCHEDULE 2
The Aircraft

Aircraft Type	:	B737-33A
Aircraft Manufacturer	:	Boeing
Manufacturer Serial No.	:	27454
Registration	:	YL - BBI
Engine Manufacturer	:	CFM International
Engine Model	:	CFM56-3B2
Engine Serial Nos.	:	858151 858206

(execution version)

**Aircraft Operating
Lease Agreement**

16 July 2007

International Transport Finance Limited
as Lessor

and

airBaltic Corporation A/S
as Lessee

**in respect of one B737-33A Aircraft
with manufacturer's serial number 27454
with two CFM56-3B2 Engines**

THIS AGREEMENT is made the 16th day of July 2007

Between:

- (1) **airBaltic Corporation A/S**, a company incorporated under the laws of Latvia and having its registered office and principal place of business at Riga International Airport, Riga, LV-1053, Latvia (**Lessee**); and
- (2) **International Transport Finance Limited**, a company incorporated and existing under the laws of England and Wales and having its registered office at 80 Cheapside, London EC2V 6EE (**Lessor**).

Recitals:

Lessor has agreed to lease and Lessee has agreed to take on lease the Aircraft upon the terms and subject to the conditions set out in this Agreement.

Now it is agreed as follows:

1. Interpretation

1.1 In this Agreement, unless the context otherwise provides, capitalised terms and expressions have the meanings assigned to them in Part 1 of Appendix 1 and the conventions of construction and usage set out in Part 2 of Appendix 1 shall apply to this Agreement.

1.2 References to **this Agreement** includes the Appendices and the Exhibits and accordingly Lessee and Lessor hereby agree to comply with the terms of each such Appendix and Exhibit as if set out in this Agreement in full.

2. Representations and warranties

2.1 Lessee acknowledges that Lessor has entered into this Agreement in full reliance on the representations and warranties by Lessee set out in this Agreement and Lessee represents and warrants to Lessor in the terms set out in Part 1 of Appendix 3.

2.2 Lessor represents and warrants to Lessee in the terms set out in Part 2 of Appendix 3.

2.3 The rights of Lessor in relation to any misrepresentation or breach of warranty by Lessee shall not be prejudiced by any investigation by or on behalf of Lessor into the affairs of Lessee, by the performance of this Agreement and the other Lessee Documents or by any other act or thing done or omitted by Lessor which would, but for this Clause 2.3, prejudice such rights.

3. Conditions

Lessor's obligation to deliver and lease the Aircraft under this Agreement is subject to:

- (a) the Lessee's satisfaction of each of the conditions precedent specified in Appendix 4; and
- (b) the Lessor's procurement (using its reasonable commercial endeavours) of the Lessor Pre-Conditions.

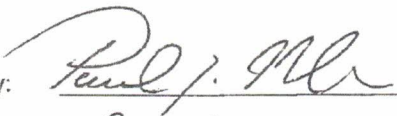
4. Commencement of lease

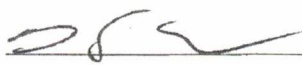
4.1 Subject to Clause 3 and the remaining provisions of this Clause 4, Lessor will deliver and Lessee will accept the Aircraft on a date falling in the month of August 2007, or at a later date to be agreed between Lessor and Lessee (the **Delivery Date**). Subject to the terms of this Agreement, Lessor will lease the Aircraft to Lessee for the duration of the Term. After Delivery the Aircraft and every Part will be in every respect at the sole risk of Lessee, who will bear all risk of loss, theft, damage or destruction to the Aircraft and every Part from any cause whatsoever.

- (c) consents generally in respect of any such legal action or proceedings to the giving of any relief or the issue of any process in connection with such action or proceedings, including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment which may be made or given in such action or proceedings.
- (d) Lessee appoints Skyways Aviation UK, Ltd, 2nd Floor, 13-15 Sheet Street, Windsor, Berkshire SL4 1BN, England as its agent to be served with court documents relating to this Agreement and Lessee shall maintain this agent for this purpose in England. The Lessee agrees that if its agent does not inform the Lessee about the service of any court documents served on it, this shall not affect the proceedings concerned. The Lessee agrees that court documents can be served on it by posting a copy to its agent at the address given above.

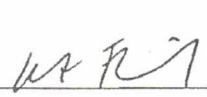
In witness whereof the parties hereto have executed this Agreement on the date shown at the beginning of this Agreement.


Signed on behalf of
International Transport Finance Limited

By: 
Name: Paul J. Nolan
Title: VICE PRESIDENT

By: 
Name: David Goring-Thomas
Title: Senior Vice President

Signed on behalf of
airBaltic Corporation A/S

By: 
Name: _____
Title: _____


Mārtiņš Antonovičs
CEO

APPENDIX 2

Part 1

Description of the Aircraft

Aircraft manufacturer:	Boeing
Model:	B737-33A
Serial number:	27454
MTOW:	135,000 lbs
Passenger cabin configuration	148Y
Engine manufacturer:	CFM International
Engine type:	CFM56-3B2
Rated thrust:	22,000 lbs
Serial numbers:	858151 858206